

Housing and Redevelopment Authority of the City of Bloomington (HRA)

Cash, Cash Equivalents, and Investments

See Note 2 for a description of qualifying depositories, collateralization, qualifying investments, and investment categorization.

Minnesota Statutes require that all HRA deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral.

Authorized collateral includes the legal investments described as follows, as well as certain first mortgage notes, and certain other state or local government obligations.

Cash balances at December 31, 2015 were:

<u>Credit Risk Category</u>	<u>Bank Balances</u>	<u>Carrying Amount</u>
Insured or collateralized by securities held by the HRA or its agent in the HRA's name	\$ 537,740	\$ 101,871

Investment balances at December 31, 2015 were:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
Money market	01/01/16	\$ 5,714,710	100%
Total investments		5,714,710	<u>100.0%</u>
Total deposits		<u>101,871</u>	
Net cash, cash equivalents, and investments		<u>\$ 5,816,581</u>	

Housing and Redevelopment Authority of the City of Bloomington (HRA)

Capital Assets and Land Held for Resale

Changes in general capital assets during 2015 are summarized as follows:

	<u>Balance 1/1/15</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/15</u>
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 130,300	\$ -	\$ -	\$ 130,300
Capital assets being depreciated -				
Machinery and equipment	30,764	-	-	30,764
Less accumulated depreciation for -				
Machinery and equipment	(26,995)	(2,513)	-	(29,508)
Total capital assets being depreciated, net	<u>3,769</u>	<u>(2,513)</u>	<u>-</u>	<u>1,256</u>
Governmental activities capital assets, net	<u>\$ 134,069</u>	<u>\$ (2,513)</u>	<u>\$ -</u>	<u>\$ 131,556</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	\$1,470,000	\$ -	\$ -	\$ 1,470,000
Capital assets being depreciated -				
Buildings and structures	3,285,617	-	-	3,285,617
Less accumulated depreciation for -				
Buildings and structures	(1,887,268)	(98,170)	-	(1,985,438)
Total capital assets being depreciated, net	<u>1,398,349</u>	<u>(98,170)</u>	<u>-</u>	<u>1,300,179</u>
Business-type activities capital assets, net	<u>\$2,868,349</u>	<u>\$ (98,170)</u>	<u>\$ -</u>	<u>\$ 2,770,179</u>

Land held for resale activity for the year ended December 31, 2015, was as follows:

	<u>Balance 1/1/15</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/15</u>
Land Held for Resale (Inventory)	<u>\$ 873,285</u>	<u>\$ 102,876</u>	<u>\$ (243,203)</u>	<u>\$ 732,958</u>

Housing and Redevelopment Authority of the City of Bloomington (HRA)

Long-Term Debt and Obligations Due to Primary Government

The long-term debt obligations outstanding at year-end are summarized as follows:

	<u>Original Issue</u>	<u>Maturities</u>	<u>Rates</u>	<u>Balance 12/31/15</u>
Governmental activities -				
Due to primary government:				
2011 Crossover Refunding Bonds	\$ 3,095,000	2016-2032	3.00 – 4.35%	\$ 2,850,000
Total	<u>\$ 3,095,000</u>			<u>\$ 2,850,000</u>
Business-type activities:				
Family Housing Fund	\$ 175,000	2023	0.0%	\$ 175,000
Hennepin County-HOME Funds	419,450	2023	0.0	419,450
Hennepin County-HOME Funds	730,270	2024	0.0	730,270
Hennepin County-HOME Funds	<u>250,000</u>	2030	0.0	<u>250,000</u>
Total	<u>\$ 1,574,720</u>			<u>\$ 1,574,720</u>

The long-term debt outstanding related to business-type activities bears no interest rate. The HRA has not imputed interest on these obligations.

Changes in long-term debt during 2015 are summarized as follows:

	<u>Balance 1/01/15</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/15</u>	<u>Due Within One Year</u>
Governmental Activities:					
Due to Primary Government-					
Bonds Payable	\$2,970,000	\$ -	\$ (120,000)	\$ 2,850,000	\$ 125,000
Business-type Activities -					
Enterprise Fund Loan					
Agreements	1,574,720	-	-	1,574,720	-
Total	<u>\$ 4,544,720</u>	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ 4,324,720</u>	<u>\$ 125,000</u>

Housing and Redevelopment Authority of the City of Bloomington (HRA)

Debt Service Payments

The following is a schedule of the total future debt service and tax increment payment requirements for the HRA:

Years ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2016	125,000	104,090	-	-	229,090
2017	135,000	100,190	-	-	235,190
2018	135,000	96,140	-	-	231,140
2019	140,000	92,015	-	-	232,015
2020	130,000	87,965	-	-	217,965
2021-2025	790,000	367,008	1,324,720	-	2,481,728
2026-2030	995,000	195,098	250,000	-	1,440,098
2031-2032	400,000	16,038	-	-	416,038
Total	<u>\$ 2,850,000</u>	<u>\$ 1,058,544</u>	<u>\$ 1,574,720</u>	<u>\$ -</u>	<u>\$ 5,483,264</u>

Fund Balance Classifications

At December 31, 2015 a summary of the governmental fund balance classifications is as follows:

	General Fund	Housing Develop	Redevelop	Section 8 Vouchers	Housing Rehab	TIF Special Revenue	Capital Projects	Totals
Nonspendable:								
Long term receivables	\$ -	\$ 394,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 394,559
Prepaid items	-	-	-	334,436	-	-	-	334,436
Restricted for:								
Tax increment purposes	-	-	-	-	-	1,215,306	-	1,215,306
HUD rehab loans	-	-	-	-	69,899	-	-	69,899
Committed to:								
Development activities	-	6,986,693	-	-	-	-	-	6,986,693
Rehabilitation loans	-	-	-	-	1,324,361	-	-	1,324,361
Assigned	-	-	-	-	-	-	38,755	38,755
Unassigned	515,154	-	-	(285,497)	-	(4,475,719)	-	(4,246,062)
Total fund balances	<u>\$ 515,154</u>	<u>\$ 7,381,252</u>	<u>\$ -</u>	<u>\$ 48,939</u>	<u>\$ 1,394,260</u>	<u>\$ (3,260,413)</u>	<u>\$ 38,755</u>	<u>\$ 6,117,947</u>

Due to the City

At December 31, 2015, the HRA owed the City \$136,154 for services and facilities provided to the HRA and \$125,000 for the current portion and \$2,803,353 for the long-term portion of the debt obligation.

Due to HRA

At December 31, 2015, the City owed a total of \$83,710 to the HRA for HRA rehabilitation loan program activities.

Housing and Redevelopment Authority of the City of Bloomington (HRA)

Conduit Debt Obligations

From time to time, the HRA has issued Housing Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The HRA, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2015, there is one series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$2.0 million.

The following table shows the balance of the conduit debt obligations as of December 31, 2015:

	<u>Original Balance</u>	<u>Beginning Balance 1/01/15</u>	<u>Additions</u>	<u>Less Payments/ Refinance</u>	<u>Ending Balance 12/31/15</u>
Masonic Homes	\$ 4,000,000	\$ 2,200,000	\$ -	\$ (200,000)	\$ 2,000,000

Mortgages Receivable

The Neighborhood Home Improvement Loan (Neighborhood) program is funded primarily by the HRA tax levy, loan repayments and occasionally from Strategic Initiative funds granted to the HRA by the City of Bloomington. The Neighborhood loans are to be repaid at such time as the related properties are transferred or sold. A lien is placed against the property by the HRA to ensure principal and interest is repaid. Proceeds for the Neighborhood loans (including interest) from repayments will be recognized as revenue by the HRA when received. The Neighborhood loan balances outstanding, including interest, total \$4,201,734 as of December 31, 2015. The Neighborhood loans have been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA entered into an agreement with Hennepin County to match funds for a rehabilitation program specifically focusing on foreclosed single family homes in 2009. Each entity provided \$200,000 in funds for a program total of \$400,000 with a maximum \$20,000 per property. The HRA reapplied in 2010 and entered into another agreement with Hennepin County for an additional \$200,000 to continue this successful program. Half of the amount provided to the homeowner from Hennepin County will become a grant if the homeowner remains in the home for a minimum of five years. The other half of the amount provided to the homeowner from the HRA is a five percent interest rate loan with the accrual of interest ceasing after ten years. Therefore, the proceeds from repayments for the amount loaned from the HRA is recognized as revenue when received. The foreclosure home (FHIP) loan balances outstanding, including interest, total \$409,799 as of December 31, 2015. The outstanding balances are recognized on the balance sheet as mortgage receivable and deferred inflow.

In 2012, the HRA entered into another agreement with Hennepin County to match funds for the Community Enhancement Program II (CEPII). This program also provides funding for rehabilitation loans. The first round of funding in early 2012 provided \$250,000 each from the HRA and the County for loans. In late 2012, another agreement was entered into with \$200,000 being pledged from each entity. The third round of funding was committed in 2013 providing an additional \$233,934 from the HRA and the County. The HRA and County alternates the loans which are committed in terms of who is the mortgage holder. The CEPII loan balances outstanding, including interest, total \$736,308 as of December 31, 2015. The HRA loans are recognized as mortgage receivable and deferred inflow on the balance sheet.

Housing and Redevelopment Authority of the City of Bloomington (HRA)

In 2005, the HRA entered into four mortgage note agreements for the Essex Knoll property. The funds were loaned to low-income families to allow them the ability to purchase a home at an affordable price. Each mortgage note receivable was for \$80,000, for a total of \$320,000. The interest rate on each loan is 0% and the term is 30 years. The mortgage note has been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA has a \$406,000 mortgage note receivable dated December 17, 1990, from the sale of land to a developer, Bloomington Family Townhomes LP. The funds were loaned to the developer for the purpose of constructing townhouse projects. The note accrues interest at 3% simple interest per year until the adjustment date, as defined in the note. The accumulated interest and principal was amended in 2008 to be due in the year 2025, or upon sale of the property. In 2015 the mortgage note and interest totaling \$710,967 was recognized on the balance sheet as a mortgage note receivable and deferred inflow. Proceeds will be recognized as revenue by the HRA when received. If the townhomes are no longer used as affordable units, the note will bear an interest rate of 9% on the adjusted balance from the adjustment date to the year 2025, or upon sale of the property.

In 2002, the HRA entered into two loan agreements with Bloomington Southview Limited Partnership (BSLP). The funds were used to facilitate the development of affordable housing, site demolition, and abatement of environmental hazards. Under the terms of the loan agreements, the HRA provided BSLP with \$165,000 and \$150,000 loans, recognized on the balance sheet as notes receivable. There are no interim payments due; the compounded interest on the \$165,000 loan is calculated at 3% and is recognized as revenue by the HRA as it accrues. The \$150,000 loan has no interim payments due, the interest rate is 0%, and the term is 30 years. The HRA has not imputed interest on this loan.

The HRA entered into two loan agreements with Bloomington Leased Housing Associates III Limited Partnership in 2007. The funds were used solely to assist with the payment of the purchase price of real property located at 10140 Lyndale Avenue also known as Blooming Glen and to rehabilitate a fifty-unit residential rental facility for low-income housing located on that property. The amounts of the loans are \$200,000 accruing interest at 3% simple interest per year payable at maturity and \$290,000 with a 0% interest rate. The principal and accumulated interest is due at maturity, August 18, 2037, or upon sale of the property for each loan. The mortgage notes and interest has been recognized on the balance sheet as mortgage receivable and deferred inflow.

In 2008, the HRA entered into a loan agreement with Crossings at Valley View Limited Partnership (Crossings). Crossings received a \$600,000 loan from the HRA to assist with the cost of acquiring property located in the northeast quadrant of Portland Avenue and 88th Street in Bloomington. This land was used to construct fifty low income housing units. The interest rate on the \$600,000 loan is 0% and the term is 30 years.

Housing and Redevelopment Authority of the City of Bloomington (HRA)

The following table shows the balance of the mortgage loans receivable as of December 31, 2015:

	Balance 01/01/15	Additions	Interest	Payments Received	Balance 12/31/15
Neighborhood Loans	\$ 4,232,538	\$ 17,582	\$ 57,794	\$ (106,180)	\$ 4,201,734
Foreclosure Loans	441,404	12,344	17,305	(61,254)	409,799
CEP II Loans	470,212	279,661	23,728	(37,293)	736,308
Essex Knoll	320,000	-	-	-	320,000
Bloomington Family					
Townhomes	698,787	-	12,180	-	710,967
Bloomington Southview LP	150,000	-	-	-	150,000
Bloomington Southview LP	237,436	-	7,123	-	244,559
Blooming Glen	237,742	-	6,000	-	249,742
Blooming Glen	290,000	-	-	-	290,000
Crossings at Valley View	600,000	-	-	-	600,000
VEPP	1	-	-	-	1
Total	<u>\$ 7,684,120</u>	<u>\$ 309,587</u>	<u>\$ 124,130</u>	<u>\$ (204,727)</u>	<u>\$ 7,913,110</u>

Equity Participation/Contingent Repayment Agreements

The HRA has ten equity participation agreements with various developers of development sites in Bloomington. The developers are L.W. Fraser Independent Living Project II, Henry Court Inc., AHEPA/Penelope, NHHI/ASI Bloomington Inc. (Garfield Commons and the Meadows), NHHI/Catalpa, non-profit entities of the Presbyterian Homes of Bloomington Inc. (Newton Manor, Ridgeview Terrace, and Summer House), and Cornerstone Advocacy Services. The agreements contain equity-share provisions giving the HRA portions of certain proceeds upon subsequent sales of the development sites. Such proceeds, if any, will be recognized as revenue by the HRA when received. In 2008, the City increased its equity participation agreement with AHEPA/Penelope by contributing an additional \$50,000 to assist with construction of additional units of low income senior housing.

On April 11, 2001, the HRA entered into a contingent repayment agreement with Lyndale Avenue Townhomes, Limited Partnership for the purpose of constructing townhomes for low-income tenants. The townhomes are operated by a management company on behalf of the HRA.

Value in Excess of Purchase Price (VEPP) Agreements

The HRA owns one VEPP agreement with face values totaling \$5,000. The agreements defer payment for portions of property values that were underwritten by the HRA under various homeownership programs. Each agreement is secured by a promissory note and a second mortgage against the individual property. The notes are repaid when a property is sold, leased, or upon maturity of the note (31 years), whichever comes first. There are no interim installment payments required by the note. Proceeds will be recognized as revenue by the HRA when received.

Subsequent Event

The HRA purchased property at 8000 Knox Avenue South for \$1,999,688 on February 1, 2016. It is one block east of the Penn & American land previously developed by the HRA. The intention is to work with a private development firm to redevelop the land and possibly create redevelopment and housing TIF districts in this area. Apartments and a hotel are tentatively planned for the site.

**OTHER
SUPPLEMENTARY
INFORMATION –

COMPONENT
UNITS**

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Net Position
December 31, 2015

EXHIBIT H-1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,305,102	\$ 511,479	\$ 5,816,581
Accounts receivable	7,943,722	-	7,943,722
Prepaid items	334,436	-	334,436
Due from primary government	83,710	-	83,710
Due from other government	159,639	-	159,639
Inventory - land held for resale	732,958	-	732,958
Land	130,300	1,470,000	1,600,300
Buildings and structures, net of accumulated depreciation	-	1,300,179	1,300,179
Machinery and equipment, net of accumulated depreciation	1,256	-	1,256
Total assets	<u>14,691,123</u>	<u>3,281,658</u>	<u>17,972,781</u>
LIABILITIES			
Accounts payable	54,376	86,498	140,874
Due to primary government	245,278	15,876	261,154
Noncurrent liabilities:			
Due to primary government -			
Bonds payable due in more than one year	2,803,353	-	2,803,353
Due in more than one year	-	1,574,720	1,574,720
Total liabilities	<u>3,103,007</u>	<u>1,677,094</u>	<u>4,780,101</u>
NET POSITION			
Net investment in capital assets	131,556	1,195,459	1,327,015
Restricted for:			
Tax increment purposes	1,136,953	-	1,136,953
HUD rehab loans	69,899	-	69,899
Unrestricted	10,249,708	409,105	10,658,813
Total net position	<u>\$ 11,588,116</u>	<u>\$ 1,604,564</u>	<u>\$ 13,192,680</u>

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Activities
For the Year Ended December 31, 2015

EXHIBIT H-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General services	\$ 4,671,838	\$ 14,963	\$ 4,320,697	\$ -	\$ (336,178)	\$ -	\$ (336,178)
Development services	1,953,225	402,309	827,575	-	(723,341)	-	(723,341)
Interest on long-term debt and amounts due to primary government - bonds payable	104,139	-	-	-	(104,139)	-	(104,139)
Total governmental activities	<u>6,729,202</u>	<u>417,272</u>	<u>5,148,272</u>	<u>-</u>	<u>(1,163,658)</u>	<u>-</u>	<u>(1,163,658)</u>
Business-type activities:							
Property management	271,298	211,416	-	-	-	(59,882)	(59,882)
Assisted rental	271,708	310,489	-	-	-	38,781	38,781
Total business-type activities	<u>543,006</u>	<u>521,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,101)</u>	<u>(21,101)</u>
Total	<u>\$ 7,272,208</u>	<u>\$ 939,177</u>	<u>\$ 5,148,272</u>	<u>-</u>	<u>(1,163,658)</u>	<u>(21,101)</u>	<u>(1,184,759)</u>
General revenues:							
Property taxes					2,723,052	-	2,723,052
Interest and investment earnings					-	-	-
Gain on sale of capital assets					-	-	-
Transfers					-	-	-
Total general revenues and transfers					<u>2,723,052</u>	<u>-</u>	<u>2,723,052</u>
Change in net position					1,559,394	(21,101)	1,538,293
Net position - January 1					<u>10,028,722</u>	<u>1,625,665</u>	<u>11,654,387</u>
Net position - December 31					<u>\$ 11,588,116</u>	<u>\$ 1,604,564</u>	<u>\$ 13,192,680</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Assets, Liabilities, and Fund Balances
Governmental Funds
December 31, 2015

	General Fund	Housing Development	Redevelopment	Section 8 Vouchers
ASSETS				
Cash and cash equivalents	\$ 542,071	\$ 2,110,718	\$ -	\$ 65,027
Taxes receivable	15,457	-	-	-
Accounts receivable	-	6,225	-	588
Mortgage receivable	-	1,425,527	-	-
Prepaid items	-	-	-	334,436
Due from other funds	-	4,900,000	-	-
Due from primary government	-	-	-	-
Due from other govts	-	-	-	16,109
Inventory - land for resale	-	-	-	-
Total assets	\$ 557,528	\$ 8,442,470	\$ -	\$ 416,160
LIABILITIES				
Liabilities:				
Accounts payable	\$ 489	\$ 16,105	\$ -	\$ 11,568
Due to other funds	-	-	-	300,000
Due to primary government	26,428	14,145	-	55,653
Total liabilities	26,917	30,250	-	367,221
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow-taxes	15,457	-	-	-
Deferred inflow-mortgages	-	1,030,968	-	-
Deferred inflow-land held for resale	-	-	-	-
Total deferred inflows of resources	15,457	1,030,968	-	-
FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable	-	394,559	-	334,436
Restricted	-	-	-	-
Committed	-	6,986,693	-	-
Assigned	-	-	-	-
Unassigned	515,154	-	-	(285,497)
Total fund balances	515,154	7,381,252	-	48,939
Total liabilities, deferred inflows of resources and fund balances	\$ 557,528	\$ 8,442,470	\$ -	\$ 416,160

EXHIBIT H-3

Housing Rehabilitation	TIF Special Revenue	Capital Projects	Total Governmental Funds
\$ 1,195,403	\$ 1,352,968	\$ 38,915	\$ 5,305,102
-	703	-	16,160
-	7,639	-	14,452
5,347,841	-	1,139,742	7,913,110
-	-	-	334,436
-	-	-	4,900,000
83,710	-	-	83,710
143,530	-	-	159,639
-	267,700	465,258	732,958
<u>\$ 6,770,484</u>	<u>\$ 1,629,010</u>	<u>\$ 1,643,915</u>	<u>\$ 19,459,567</u>
\$ 4,331	\$ 21,723	\$ 160	\$ 54,376
-	4,600,000	-	4,900,000
24,052	-	-	120,278
<u>28,383</u>	<u>4,621,723</u>	<u>160</u>	<u>5,074,654</u>
-	-	-	\$ 15,457
5,347,841	-	1,139,742	7,518,551
-	267,700	465,258	732,958
<u>5,347,841</u>	<u>267,700</u>	<u>1,605,000</u>	<u>8,266,966</u>
-	-	-	728,995
69,899	1,215,306	-	1,285,205
1,324,361	-	-	8,311,054
-	-	38,755	38,755
-	(4,475,719)	-	(4,246,062)
<u>1,394,260</u>	<u>(3,260,413)</u>	<u>38,755</u>	<u>6,117,947</u>
<u>\$ 6,770,484</u>	<u>\$ 1,629,010</u>	<u>\$ 1,643,915</u>	<u>\$ 19,459,567</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-4

Reconciliation of the Governmental Funds
Schedule of Assets, Liabilities, and Fund Balances
To the Schedule of Net Position
December 31, 2015

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 6,117,947

Amounts reported for governmental activities in the Schedule of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of capital assets	\$	161,064	
Less accumulated depreciation		(29,508)	131,556

Some receivables that are not currently available are reported as deferred inflow in the fund financial schedules but are recognized as revenue when earned in the government-wide schedules.

8,266,966

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(2,850,000)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the government-wide schedules.

(34,201)

Accrued interest is not due and payable in the current period and, therefore, not reported in the fund schedules.

(44,152)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 11,588,116



CITY OF
BLOOMINGTON
MINNESOTA

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	<u>General Fund</u>	<u>Housing Development</u>	<u>Redevelopment</u>
REVENUES			
Taxes:			
Regular	\$ 281,404	\$ 1,434,759	\$ -
Tax increment	-	32,456	-
Intergovernmental	-	-	-
Sale of real property	-	-	-
Program	-	7,123	-
Interest	(845)	-	-
Other	900	6,225	-
Total revenues	<u>281,459</u>	<u>1,480,563</u>	<u>-</u>
EXPENDITURES			
Current:			
General services	256,317	-	-
Development services	-	329,385	173,924
Debt service:			
Administrative charges	-	-	5,472
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay -			
Development services	-	-	-
Total expenditures	<u>256,317</u>	<u>329,385</u>	<u>179,396</u>
Excess (deficiency) of revenues over expenditures	25,142	1,151,178	(179,396)
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	-	(132,000)	(44,494)
Transfers from other funds	-	44,494	-
Total other financing sources (uses)	<u>-</u>	<u>(87,506)</u>	<u>(44,494)</u>
Net change in fund balance	25,142	1,063,672	(223,890)
Fund balance (deficit) - January 1	<u>490,012</u>	<u>6,317,580</u>	<u>223,890</u>
Fund balance (deficit) - December 31	<u>\$ 515,154</u>	<u>\$ 7,381,252</u>	<u>\$ -</u>

EXHIBIT H-5

<u>Section 8 Vouchers</u>	<u>Housing Rehabilitation</u>	<u>TIF Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ -	\$ 99,185	\$ -	\$ -	\$ 1,815,348
-	-	875,520	-	907,976
4,320,697	715,093	112,482	-	5,148,272
-	-	-	211,971	211,971
-	159,456	-	-	166,579
-	-	-	-	(845)
14,908	-	7,639	-	29,672
<u>4,335,605</u>	<u>973,734</u>	<u>995,641</u>	<u>211,971</u>	<u>8,278,973</u>
4,413,008	-	-	-	4,669,325
-	1,189,985	147,331	69,157	1,909,782
-	-	2,739	-	8,211
-	-	107,765	-	107,765
-	-	120,000	-	120,000
-	-	-	106,876	106,876
<u>4,413,008</u>	<u>1,189,985</u>	<u>377,835</u>	<u>176,033</u>	<u>6,921,959</u>
(77,403)	(216,251)	617,806	35,938	1,357,014
-	-	-	-	(176,494)
<u>80,000</u>	<u>50,000</u>	<u>-</u>	<u>2,000</u>	<u>176,494</u>
<u>80,000</u>	<u>50,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
2,597	(166,251)	617,806	37,938	1,357,014
<u>46,342</u>	<u>1,560,511</u>	<u>(3,878,219)</u>	<u>817</u>	<u>4,760,933</u>
<u>\$ 48,939</u>	<u>\$ 1,394,260</u>	<u>\$ (3,260,413)</u>	<u>\$ 38,755</u>	<u>\$ 6,117,947</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-6

Reconciliation of the Schedule of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Schedule of Activities
For The Year Ended December 31, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 1,357,014**

Amounts reported for governmental activities in the Schedule of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Schedule of Net Position, the cost of these assets is capitalized and depreciated over their estimated useful lives as depreciation expense:			
Depreciation expense	(2,513)		(2,513)
Revenues in the Schedule of Activities related to delinquent property taxes that do not provide current financial resources are not reported as revenues in the funds.			(273)
Revenues in the Schedule of Activities related to mortgages receivable that do not provide current financial resources are not reported as revenues in the funds.			221,866
Revenues in the Schedule of Activities related to Inventory - land held for resale that do not provide current financial resources are not reported as revenues in the funds.			(140,327)
Repayment of principal on long-term debt (e.g., bonds, leases) is an expenditure in the governmental funds but does not affect the Schedule of Activities.			120,000
Governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Schedule of Activities.			2,126
Change in accrued interest on general long-term debt is reported in the Schedule of Activities but does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.			1,500
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			\$ 1,559,394

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-7

Schedule of Fund Net Position
Proprietary Funds
December 31, 2015

	<u>Assisted Rental</u>	<u>Property Management</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 398,370	\$ 113,109	\$ 511,479
Total current assets	<u>398,370</u>	<u>113,109</u>	<u>511,479</u>
Noncurrent assets:			
Land	700,000	770,000	1,470,000
Buildings and structures	1,698,090	1,587,527	3,285,617
Accumulated depreciation	<u>(1,022,483)</u>	<u>(962,955)</u>	<u>(1,985,438)</u>
Total noncurrent assets	<u>1,375,607</u>	<u>1,394,572</u>	<u>2,770,179</u>
Total assets	<u>1,773,977</u>	<u>1,507,681</u>	<u>3,281,658</u>
 LIABILITIES			
Current liabilities:			
Accounts payable	2,057	1,616	3,673
Due to primary government	8,795	7,081	15,876
Deposits payable	<u>7,515</u>	<u>75,310</u>	<u>82,825</u>
Total current liabilities	<u>18,367</u>	<u>84,007</u>	<u>102,374</u>
Noncurrent liabilities -			
Long-term debt	<u>-</u>	<u>1,574,720</u>	<u>1,574,720</u>
Total liabilities	<u>18,367</u>	<u>1,658,727</u>	<u>1,677,094</u>
 NET POSITION			
Net investment in capital assets	1,375,607	(180,148)	1,195,459
Unrestricted	<u>380,003</u>	<u>29,102</u>	<u>409,105</u>
Total net position	<u>\$ 1,755,610</u>	<u>\$ (151,046)</u>	<u>\$ 1,604,564</u>

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2015

EXHIBIT H-8

	Assisted Rental	Property Management	Total
OPERATING REVENUES			
Program income	\$ 279,751	\$ 190,685	\$ 470,436
Other	30,738	20,731	51,469
Total operating revenues	<u>310,489</u>	<u>211,416</u>	<u>521,905</u>
OPERATING EXPENSES			
Salaries and benefits	69,091	70,319	139,410
Professional services	1,405	3,033	4,438
City support services	3,336	163	3,499
Purchased services	40,436	33,401	73,837
Home rehabilitation	107,503	116,149	223,652
Depreciation	49,937	48,233	98,170
Total operating expenses	<u>271,708</u>	<u>271,298</u>	<u>543,006</u>
Operating income (loss)	38,781	(59,882)	(21,101)
Total net position - January 1	<u>1,716,829</u>	<u>(91,164)</u>	<u>1,625,665</u>
Total net position - December 31	<u>\$ 1,755,610</u>	<u>\$ (151,046)</u>	<u>\$ 1,604,564</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Cash Flows
Proprietary Funds
Year Ended December 31, 2015

EXHIBIT H-9

	Assisted Rental	Property Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 356,760	\$ 248,541	\$ 605,301
Payments to other funds	(7,550)	(3,270)	(10,820)
Payments to employees	(69,091)	(70,319)	(139,410)
Payments to suppliers	(153,153)	(149,223)	(302,376)
Net cash provided by (used in) operating activities	126,966	25,729	152,695
 Net increase in cash and cash equivalents	 126,966	 25,729	 152,695
Cash and cash equivalents - January 1	271,404	87,380	358,784
Cash and cash equivalents - December 31	\$ 398,370	\$ 113,109	\$ 511,479
 Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 38,781	\$ (59,882)	\$ (21,101)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	49,937	48,233	98,170
Changes in assets and liabilities:			
Accounts payable	(289)	(6)	(295)
Deposits payable	(3,520)	3,366	(154)
Due to primary government	(4,214)	(3,107)	(7,321)
Customer receivables	46,271	37,125	83,396
Net cash provided by (used in) operating activities	\$ 126,966	\$ 25,729	\$ 152,695

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-10

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes -				
Regular	\$ 280,290	\$ 280,290	\$ 281,404	\$ 1,114
Interest	1,000	1,000	(845)	(1,845)
Other	-	-	900	900
Total revenues	<u>281,290</u>	<u>281,290</u>	<u>281,459</u>	<u>169</u>
EXPENDITURES				
Current -				
General services	<u>281,290</u>	<u>291,290</u>	<u>256,317</u>	<u>34,973</u>
Net change in fund balance	-	(10,000)	25,142	35,142
Fund balance - January 1	<u>490,012</u>	<u>490,012</u>	<u>490,012</u>	-
Fund balance - December 31	<u>\$ 490,012</u>	<u>\$ 480,012</u>	<u>\$ 515,154</u>	<u>\$ 35,142</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-11

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Development Fund
Year Ended December 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes:				
Regular	\$ 1,446,546	\$ 1,431,546	\$ 1,434,759	\$ 3,213
Tax increment	32,456	32,456	32,456	-
Sale of real property	150,000	-	-	-
Program	7,123	7,123	7,123	-
Other	6,225	6,225	6,225	-
Total revenues	<u>1,642,350</u>	<u>1,477,350</u>	<u>1,480,563</u>	<u>3,213</u>
EXPENDITURES				
Current -				
Development services	182,399	332,399	329,385	3,014
Capital outlay -				
Development services	1,459,951	1,459,951	-	1,459,951
Total expenditures	<u>1,642,350</u>	<u>1,792,350</u>	<u>329,385</u>	<u>1,462,965</u>
Excess (deficiency) of revenues over expenditures	-	(315,000)	1,151,178	1,466,178
OTHER FINANCING USES				
Transfers to other funds	-	(132,000)	(132,000)	-
Transfers from other funds	-	50,000	44,494	(5,506)
Total other financing uses	<u>-</u>	<u>(82,000)</u>	<u>(87,506)</u>	<u>(5,506)</u>
Net change in fund balance	-	(397,000)	1,063,672	1,460,672
Fund balance - January 1	<u>6,317,580</u>	<u>6,317,580</u>	<u>6,317,580</u>	<u>-</u>
Fund balance - December 31	<u>\$ 6,317,580</u>	<u>\$ 5,920,580</u>	<u>\$ 7,381,252</u>	<u>\$ 1,460,672</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-12

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Fund
Year Ended December 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes -				
Regular	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current -				
Development services	-	176,000	173,924	2,076
Debt service:				
Administrative charges	-	6,000	5,472	528
Total expenditures	-	182,000	179,396	2,604
Excess of revenues over expenditures	-	(182,000)	(179,396)	2,604
OTHER FINANCING USES				
Transfers to other funds	-	(45,000)	(44,494)	(506)
Total other financing sources (uses)	-	(45,000)	(44,494)	(506)
Net change in fund balance	-	(227,000)	(223,890)	3,110
Fund balance - January 1	223,890	223,890	223,890	-
Fund balance - December 31	\$ 223,890	\$ (3,110)	\$ -	\$ 3,110

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-13

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Section 8 Vouchers Fund
Year Ended December 31, 2015

	Budget		Actual	Variance
	Original	Final		With Final Budget
REVENUES				
Intergovernmental	\$ 4,183,000	\$ 4,283,000	\$ 4,320,697	\$ 37,697
Interest	1,000	1,000	-	(1,000)
Other	14,000	14,000	14,908	908
Total revenues	<u>4,198,000</u>	<u>4,298,000</u>	<u>4,335,605</u>	<u>37,605</u>
EXPENDITURES				
Current -				
General services	<u>4,198,000</u>	<u>4,443,000</u>	<u>4,413,008</u>	<u>29,992</u>
Excess of revenues over expenditures	-	(145,000)	(77,403)	67,597
OTHER FINANCING SOURCES				
Transfers from other funds	<u>-</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	-	(65,000)	2,597	67,597
Fund balance - January 1	<u>46,342</u>	<u>46,342</u>	<u>46,342</u>	<u>-</u>
Fund balance - December 31	<u>\$ 46,342</u>	<u>\$ (18,658)</u>	<u>\$ 48,939</u>	<u>\$ 67,597</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-14

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Rehabilitation Fund
Year Ended December 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes -				
Regular	\$ 100,000	\$ 100,000	\$ 99,185	\$ (815)
Intergovernmental	1,381,085	711,085	715,093	4,008
Program	160,000	160,000	159,456	(544)
Total revenues	<u>1,641,085</u>	<u>971,085</u>	<u>973,734</u>	<u>2,649</u>
EXPENDITURES				
Current -				
Development services	<u>1,641,085</u>	<u>1,291,085</u>	<u>1,189,985</u>	<u>101,100</u>
Excess (deficiency) of revenues over (under) expenditures	-	(320,000)	(216,251)	103,749
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	-	(270,000)	(166,251)	103,749
Fund balance - January 1	<u>1,560,511</u>	<u>1,560,511</u>	<u>1,560,511</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,560,511</u>	<u>\$ 1,290,511</u>	<u>\$ 1,394,260</u>	<u>\$ 103,749</u>



CITY OF
BLOOMINGTON
MINNESOTA

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Combining Schedule of Assets, Liabilities, and Fund Balances
TIF Special Revenue Fund
December 31, 2015

	Oxboro O-4	France & Old Shakopee	Penn & American
ASSETS			
Cash and cash equivalents	\$ 9,665	\$ 39,685	\$ 86,420
Taxes receivable	-	-	-
Accounts receivable	7,639	-	-
Inventory - land for resale	-	267,700	-
Total assets	<u>\$ 17,304</u>	<u>\$ 307,385</u>	<u>\$ 86,420</u>
LIABILITIES AND FUND BALANCES			
Current liabilities -			
Accounts payable	\$ 17,304	\$ 623	\$ 1,201
Due to other funds	-	1,000,000	3,600,000
Total liabilities	<u>17,304</u>	<u>1,000,623</u>	<u>3,601,201</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow-land held for resale	-	267,700	-
Total deferred inflows of resources	<u>-</u>	<u>267,700</u>	<u>-</u>
FUND BALANCES			
Fund Balances:			
Restricted	-	-	-
Unassigned	-	(960,938)	(3,514,781)
Total fund balances	<u>-</u>	<u>(960,938)</u>	<u>(3,514,781)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,304</u>	<u>\$ 307,385</u>	<u>\$ 86,420</u>

EXHIBIT H-15

GO Tax Increment Bonds 2004A	GO Tax Increment Bonds 2003A	Total
\$ 883,115	\$ 334,083	\$ 1,352,968
703	-	703
-	-	7,639
-	-	267,700
<u>\$ 883,818</u>	<u>\$ 334,083</u>	<u>\$ 1,629,010</u>
\$ 1,611	\$ 984	\$ 21,723
-	-	4,600,000
<u>1,611</u>	<u>984</u>	<u>4,621,723</u>
-	-	267,700
-	-	267,700
882,207	333,099	1,215,306
-	-	(4,475,719)
<u>882,207</u>	<u>333,099</u>	<u>(3,260,413)</u>
<u>\$ 883,818</u>	<u>\$ 334,083</u>	<u>\$ 1,629,010</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
TIF Special Revenue Fund
Year Ended December 31, 2015

	<u>Oxboro O-4</u>	<u>France & Old Shakopee</u>	<u>Penn & American</u>
REVENUES			
Taxes -			
Tax increment	\$ 19,331	\$ 24,128	\$ 400,206
Intergovernmental	-	-	112,482
Other	7,639	-	-
Total revenues	<u>26,970</u>	<u>24,128</u>	<u>512,688</u>
EXPENDITURES			
Current -			
Development services	26,970	2,919	117,442
Debt service:			
Administrative charges	-	-	-
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>26,970</u>	<u>2,919</u>	<u>117,442</u>
Net change in fund balance	-	21,209	395,246
Fund balance - January 1	<u>-</u>	<u>(982,147)</u>	<u>(3,910,027)</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ (960,938)</u>	<u>\$ (3,514,781)</u>

TIF Special Revenue			
Oxboro 0-3 Bonds 1997	GO Tax Increment Bonds 2004A	GO Tax Increment Bonds 2003A	Total
\$ -	\$ 348,436	\$ 83,419	\$ 875,520
-	-	-	112,482
-	-	-	7,639
-	348,436	83,419	995,641
-	-	-	147,331
-	1,683	1,056	2,739
-	79,665	28,100	107,765
-	90,000	30,000	120,000
-	171,348	59,156	377,835
-	177,088	24,263	617,806
-	705,119	308,836	(3,878,219)
\$ -	\$ 882,207	\$ 333,099	\$ (3,260,413)